

FISCAL NOTE

HB 2178 - SB 2639

March 30, 2004

SUMMARY OF BILL: Enacts a "best value" contracting procedure for any department, agency, board, commission, utility district, authority, or other unit of state, county, or municipal government. Provides that when a contracting agency determines use of sealed bidding is not practicable or advantageous a contract may be entered into by best value contracting. Requires adequate public notice of best value contracting solicitations. Outlines the non-price factors to be considered and the conditions that apply to RFP's issued in best value solicitations. Provides for competitive proposals to be evaluated only on the criteria established in the RFP and for bidders to be ranked from most to least advantageous with the award being made to the bidder determined to be most advantageous. Outlines information to be included in public notice announcing the contract award.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$500,000

Increase Local Govt. Expenditures - Exceeds \$100,000 / Permissive

Other Fiscal Impact - To the extent best value contracting is implemented, state and local governments using this procedure will experience savings over time as a result of better quality products and services and fewer change orders and cost overruns.

Estimate assumes to the extent the state and local governments choose to use best value contracting procedures they will experience an increase in expenditures from increased costs for contracting as a result of considering additional criteria in the contract award process and for administrative costs associated with the procedures. This increase is estimated to be significant but could be offset over time by cost savings resulting from increased quality and fewer cost overruns.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director